

Message Text

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64

ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 DODE-00 PA-04 USIA-15

PRS-01 INT-08 DRC-01 /126 W
----- 128429

R 301916Z NOV 73

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 7952

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E.O. 11652: N/A

TAGS: EMIN, PE

SUBJ: CUAJONE FINANCING - CHASE PACKAGE SIGNED IN LONDON

REF: LIMA 7437

1. LOCAL PRESS REPORTS SPCC AND CONSORTIUM OF TWENTY-NINE BANKS, WITH CHASE MANHATTAN AND LIBRA BANK LTD. AS THE COORDINATING BANKS, SIGNED LOAN AGREEMENT NOVEMBER 29 IN LONDON FOR \$200 MILLION TO FINANCE CUAJONE. PRESS RELEASE PUT OUT BY SPCC, WHICH LOCAL PRESS DREW ON FOR ITS STORIES, NOTES FOLLOWING SPECIFIC CONDITIONS FOR THIS CREDIT: A) DISBURSEMENT OF FUNDS WILL BEGIN AFTER FULFILLMENT OF OTHER CONDITIONS SUCH AS COMPLETION OF AGREEMENT FOR BALANCE OF FINANCING; B) SIGNING OF LONG-TERM COPPER SALE CONTRACTS FOR CUAJONE'S PRODUCTION; AND C) APPROVAL BY GOP.

2. PRESS REPORTS ALSO STATE THAT SPCC ESTIMATES CUAJONE WILL BE PRODUCING 180,000 S.T. OF BLISTER COPPER ANNUALLY WITHIN APPROXIMATELY THREE YEARS OF COMPLETION OF CONSTRUCTION, AND ESTIMATES TOTAL COST OF CUAJONE PROJECT, INCLUDING ACCESS TUNNELS, PLANTS, SMELTER EXPANSION, INFRASTRUCTURE AND INTEREST ON LOAN DURING CONSTRUCTION PERIOD, WILL REACH \$500 MILLION.

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FURTHER, ILO COPPER SMELTER IS BEING ENLARGED TO TREAT CUAJONE'S

ORE.

3. COMMENT: IN VIEW OF THE DELAYS SPCC HAS EXPERIENCED IN PUTTING TOGETHER ITS FINANCING PACKAGE, THIS ANNOUNCEMENT WILL UNDOUBTEDLY BE PLAYED BY GOP TO INDICATE THAT CUAJONE STILL ON THE TRACK. HOWEVER, EMBASSY NOTES THAT THIS TIME SPCC TOOK PAINS TO STATE THAT ACUAL DISBURSEMENT DEPENDENT ON OBTAINING REST OF FINANCING PACKAGE, RATHER THAN ANNOUNCING PREMATURELY THAT FULL FINANCING ON LINE AS OCCURRED LAST MAY (SEE LIMA'S 3647, 3543).
BELCHER

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Message Attributes

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Draft Date: 30 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: worrelsw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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